



IUID: OSD Strategic Perspective

28 July 2009

Our Enduring Objective

***Effectively and Efficiently
acquire and Sustain Defense Systems
needed to deter war and protect the
security
of our country***

Relevant Implications

- **We are becoming increasingly dependent on IT-based decision making**
- **Accurate and timely data is critical**
- **IUID / SIM is essential**
- **Synchronized action between government and industry is required to effectively implement IUID-enabled SIM**
 - **Program managers**
 - **Maintenance planners and executors**
 - **Supply**

Situation Assessment

- IUID institutes standard methods for identifying and marking items
 - Enables accountability as required by DoD
 - Facilitates management of individual items
 - But, effects on all nodes of supply chain and item lifecycle are unclear
- Implied value propositions have driven policy & implementation
- Services have taken action, to varying degrees, to focus implementation, develop resource requirements, synchronize AIT efforts, and align AIS development
- Connection between cross-domain IUID policy and guidance and IUID value propositions remain unclear (focus on compliance vice value)
- Wide variation in the synchronization of IUID implementation between organizations critical to achieving successful IUID execution
- Budget is not linked to policy requirements nor program plans - resourcing an unfunded mandate has been a challenge

IUID Value Propositions

Value Proposition: IUID offers significant efficiency and effectiveness improvements beyond existing data capture and tracking mechanisms

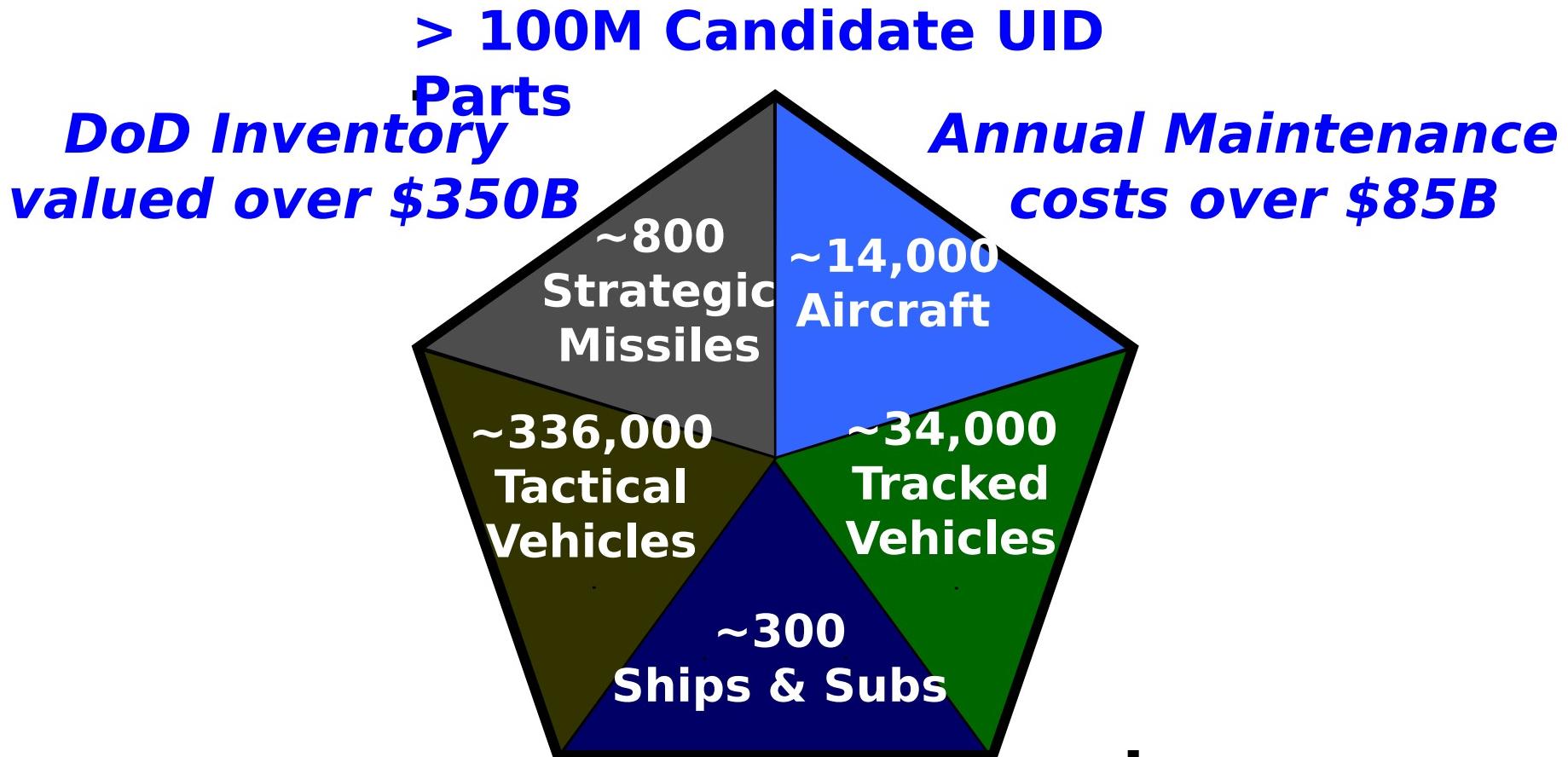
- Improved accuracy
- Increased speed
- Reduced personnel
- Reduced costs

Three Example Value Chains: *Positive Inventory Control (PIC) - worldwide visibility & control by UII*

- Enables secure handling/recall of NWRM, Small Arms and other controlled items
- Supports accurate tracking, disposal, DEMIL and warranty management by UII
- **Military Equipment Valuation (MEV) - automated, accurate property book mgt**
 - Enables full accountability of military equipment over \$5K
 - Supports clean audit and improves property transfer and disposal process
- **Product Lifecycle Management (PLM) - optimized lifecycle management**
 - Enables CBM+, CPI, RCM, and total ownership cost reduction for SIM items
 - Supports bad actor identification, accurate configuration mgt, and precision maintenance

Consolidated Value Propositions Must Drive Policy & Implementation!

How Big is the Challenge?



*Maintained by 650,000 DoD military and civilian personnel
and thousands of private sector companies*

Let's Begin

Current serial numbered tracked items

> 3.8M Army aviation

> 7M Naval Aviation

12.2M USAF

1.2M DDG-51 class

→ 144K Strategic weapon systems

24.3 million

***Focus on serialized, data-labeled,
high value, high impact parts***

DoD-Level IUID Policy and

Functional Policy	Scope	Requirement Summary
DoDI 5000.64 - Nov 2006 Defense Property Accountability	Equipment Accountability	IUID is required for end items over \$5K
DoDI 4151.19 - Dec 2006 Serialized Item Management for Mx	PLM (Weapons System Items)	IUID required for SIM items based on Service/Agency determined benefits to maintenance operations
DoD 4140-1R - Jun 2007 Supply Chain Regulation	PIC (Inventory Items)	IUID required for serialized CSI and small arms
DoDI 5000.2 - Dec 2008 Life Cycle	PLM (Weapons System)	PMs implement on major end items, configuration controlled items, and GFP
IUID-specific Policy:	Scope	Requirement Summary
DoD 8320.03 - Mar 2007 Unique Identification Standards for Net-Centric Department of Defense	UID Standards Across Domains	Directs IUID global unique identification using standard identifier (serial number construct) and standard machine readable mark
DoDI 8320.04 - Jun 2008 IUID	IUID Standards Across Domains	Defines what shall be identified and marked with UIIs (e.g. >\$5K, controlled, mission essential, serially managed)
AT&L Policy Memoranda - 2003-09	General	Established criteria for new and legacy items, funding guidance, and time-lines for implementation
<ul style="list-style-type: none"> Marking policy requires marking of items, to ensure property accountability and enable standard AIT/AIS infrastructure, not linked to a clearly defined value proposition (e.g. non-serialized, non-CSI, non-controlled consumable items) Marking policy requires marking of items before integrated guidance for use of the mark is defined and enabled by infrastructure 		

Service-Level Implementation

Guidance

Service-Level Policy:	Summary
Army: <ul style="list-style-type: none"> ▪ ASALT Policy Memo - May 2009 ▪ Draft IUID Implementation Plan - Jul 2009 ▪ Draft SIM Policy - Sep 2009 ▪ Draft SIM Implementation Plan - Mar 2010 	<ul style="list-style-type: none"> ➤ Implements 8320.04 ➤ Outlines phased implementation ➤ Implements 4151.19 ➤ Strategic-level plan
Navy: <ul style="list-style-type: none"> ▪ Draft SECNAVINST 4400.33 - Jul 2009 ▪ Draft AIS Strategy - Aug 2009 ▪ Draft SIM Strategy - Aug 2009 ▪ Draft SIM SECNAVINST - Feb 2010 	<ul style="list-style-type: none"> ➤ Implements 8320.04 ➤ Integrates IUID in Navy AIS ➤ Strategic-level plan ➤ Implements 4151.19
USAF: <ul style="list-style-type: none"> ▪ SIM Implementation Plan - Apr 2008 ▪ Air Force 2009 Policy established ▪ AIT CONOPS - Jun 2009 ▪ Service IUID/SIM guidance is in development ▪ Integrated LCM Strategy - Oct 2009 ▪ Initial focus on IUID compliance than on the lifecycle management process changes required to extract IUID value 	<ul style="list-style-type: none"> ➤ Strategic plan ➤ Implements 4151.19 for PLM ➤ IUID Newables Draft ➤ Integrates IUID in LCM

Implementation Status

Working Groups/Workshops: **Focus:**

- Legacy Parts Identification WG Legacy parts marking
 - Serialized Item Management WG SIM planning and execution
 - IUID Supply WS IUID requirements in supply
 - Industry Leaders Action Group Efficiency for industry marking
 - IUID Forums Education and networking

Item Marking: Issue:

Legacy

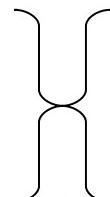
- 3% marked since 2004 mandate Activities lack marking direction
 - Organic marking not at FOC Capability established with direction
 - Lack of NRE delaying marking Funding priorities drive NRE completion

New Procurement Items

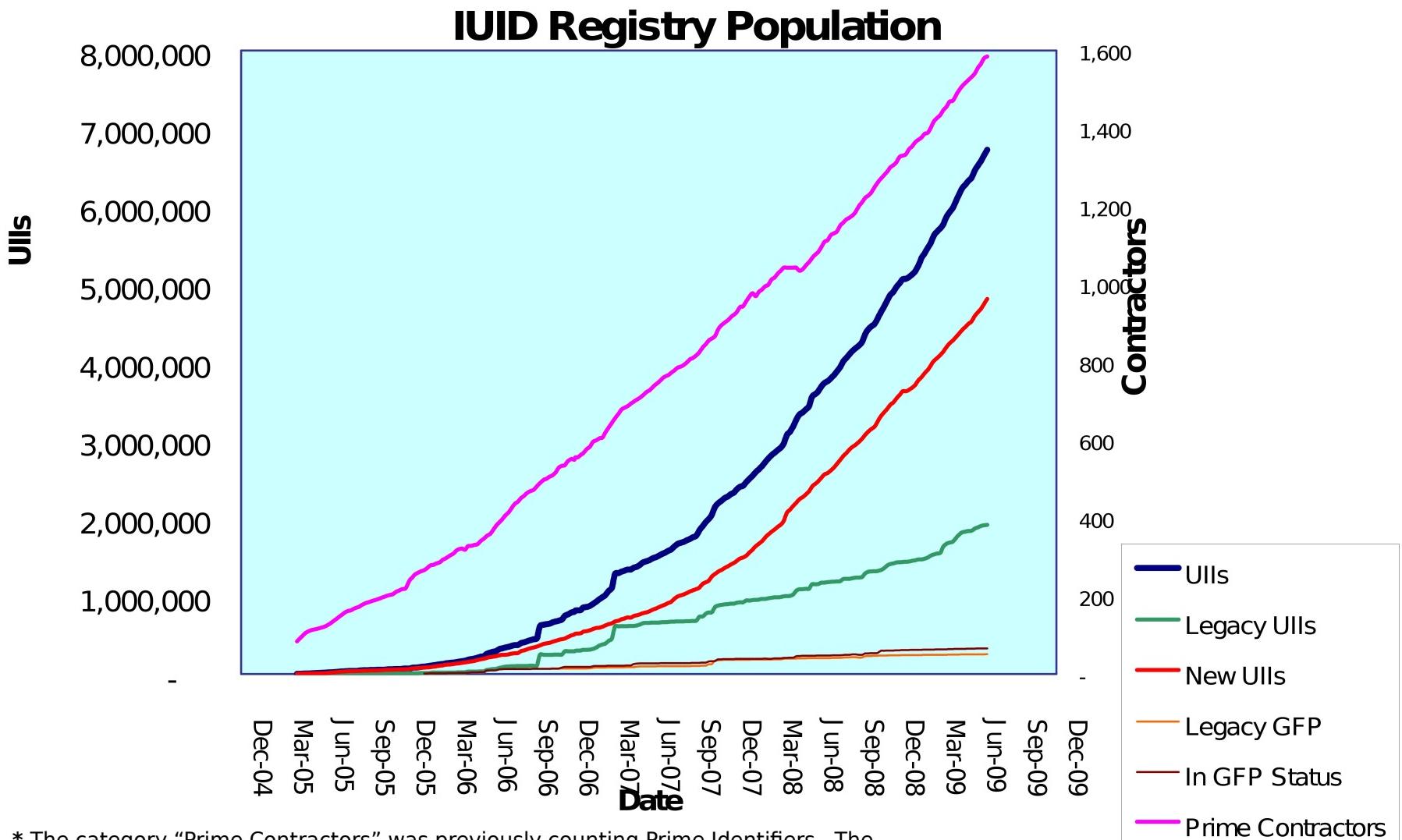
- **90%+ Service contracts require IUID** **Compliance varies; oversight lacking**
 - **DLA contracts not requiring IUID** **Tech data required; potential cost sched impact**

Mark Usage:

- **PIC:** Extremely limited (robots, CH-47, etc) **Processes maturing**
 - **MEV:** Extremely limited (CAMS-ME/WAWF) **AIT not uniformly deployed**
 - **PLM:** Extremely limited (robots, CH-47, etc) **AIS not appropriately structured**



Registry Population (As of 1 Jul 09)



* The category "Prime Contractors" was previously counting Prime Identifiers. The number has been adjusted to accurately reflect the number of unique businesses submitting UII to the Registry.

Accomplishments

- **New Acquisition: Making Strides**
 - ACAT Programs Detailed Plans - Execution on Track
 - ~90% of Contracts Contain IUID Requirement
 - OEM's and Sub-Tier Suppliers Delivering
 - Industry is Leveraging IUID for Competitive Advantage
- **Legacy Parts: Slow Going - Points of Light**
 - Army Aviation - AMCOM/CCAD Integrated Solution
 - Mass Marking of Data Plated Items at CCAD via Army Regulation
 - Web-based Maintenance Consolidated Data System (MCDS)
 - Navy Maintenance Figure of Merit Initiative
 - Links IUID Directly to Maintenance Priority and Ship Readiness
 - In-Situ Marking, 100,000's per Vessel, All Classes in-process

Path Ahead

- **Mark and register legacy parts “in volume” by 2015**
- **Supply, PM, engineering, maintenance synchronization**
 - Intent - **“Use Proposition” or Why**
 - Priority
 - Strategy
 - Direction
 - Plans
 - Execution

**What, When, How**
- **Roles/responsibilities**
 - Supply and PM: define intent, priority, and direction strategy
 - Engineering: define “how”
 - Maintenance: identify opportunity and resource requirements, and execute
- **Initial focus**
 - Serialized / data labeled parts
 - High value / high impact parts
 - SNT items

Questions?